



**Agenda Item Number: 2005-8-6B**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** August 23, 2005

**Department:** Finance **Staff Contact:** Thaddeus Lucero, County Manager  
Dan Mayfield, Deputy County Manager of  
Budget & Finance  
Hughes & Strumor Ltd., Bond Counsel

**TITLE:** Notice of Intent to adopt an Ordinance to Refund the 1999 Gross Receipts Tax Revenue Bond

**ACTION:** Motion to approve Notice of Intent to adopt **Ordinance 2005-** to refund the 1999 Gross Receipts Tax Revenue Bond.

### **SUMMARY:**

Bernalillo County currently has one outstanding gross receipts tax revenue bond issue that is available for refunding and meets general refunding criteria of the New Mexico Department of Finance and Administration. The refunding of the County's Series 1999 bonds can provide significant, ongoing cash savings to the County. Current market conditions are ideal to take advantage of an advanced refunding opportunity since interest rates should continue to rise throughout the year.

The proposed refunding will call approximately \$45,735,000 of the Series 1999 bonds. The funds to call the refunded maturities will be placed in escrow until the call date on October 1, 2009 for the Series 1999 bonds.

The total proposed size of the refunding issue is estimated at a par amount of approximately \$43,000,000, which includes costs of issuance and advisory fees. Based on this amount, the net present value savings is estimated at \$2,200,000 or 4.9% of the refunded debt.

### **ATTACHMENTS:**

1. Notice of Intent to Adopt Gross Receipts Tax Refunding Revenue Bond
2. **Ordinance 2005-** Refunding Revenue Bond Ordinance

### **FISCAL IMPACT**

Assuming interest rates do not change by the time the refunding bond is sold (approx. six weeks), the present value of the savings will be in excess of 4.9%. After the bond is sold a bonding capacity analysis will be completed in order to determine the final effect upon the County's bonding capacity.

# **STAFF ANALYSIS SUMMARY**

## **COUNTY MANAGER**

I recommend adoption of the notice of intent to refund the County's 1999 revenue bond. If the bond is successfully refunded staff will complete a bonding capacity analysis and will report the results to the Board. TL 8/16/05

## **DEPUTY COUNTY MANAGER FOR BUDGET AND FINANCE**

See summary and fiscal impact.

## **LEGAL**

Hughes & Strumor, LTD. the County's Bond Counsel has prepared all legal documents.

## **FINANCE (SEE SUMMARY AND FISCAL IMPACT)**

The anticipated schedule for the refunding is as follows:

- September 13, 2005 – Adoption of Ordinance
- September 27, 2005 – Notice of Bond Sale
- October 13, 2005 – Bond Closing

B. Corriz, Accounting Officer 8/18/05